

Shri Nagi Reddy: May I know whether Government have recommended to the State Governments to immediately enact agricultural income-tax Acts and proceed with this?

Shri T. T. Krishnamachari: I require notice.

Shrimati Tarkeshwari Sinha: Is it not a fact that agricultural income-tax will be linked up with agricultural output, and, therefore, it will give more revenue to Government? If so, may I know whether Government propose to invite all the State Government representatives and discuss this matter with them so as to get more revenue from the country?

Mr. Speaker: That is a suggestion for action

Shrimati Tarkeshwari Sinha: I just wanted to know his opinion

Mr. Speaker: Hon Members have got various suggestions. Shall I use the Question Hour for that?

Shri B. S. Murthy: May I know whether the Minister is aware that some of the State Governments are already going ahead with this agricultural income-tax?

Shri T. T. Krishnamachari: Yes. I believe about eight of them have agricultural income-tax, and before the States' reorganisation took place, another four had this agricultural income-tax

Advances against Foodgrains

*41 **Shri Jadhav:** Will the Minister of Finance be pleased to state:

(a) the total amount advanced by the scheduled banks on foodgrains since the directive issued by Reserve Bank of India in June, 1957; and

(b) how does it compare with the advances on foodgrains prior to the directive?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) and (b). Information about the amount advanced by the banks during a particular period is not available, but if the Hon'ble Member intends to know the

level of advances both prior to and after the issue of the directive, it may be stated that the advances stood at about Rs. 43 crores on May 31, 1957, at Rs. 40 crores on June 28, 1957 and are estimated to have come down to Rs 35 crores on July 12, 1957.

Shri Jadhav: May I know the amount of advance that can be made to an individual for the purchase of rice and other foodgrains?

The Minister of Finance (Shri T. T. Krishnamachari): Advance to individuals? I must ask the individual banks about it

Shri Jadhav: It is not a question of an individual who deals in these things. The banks concerned ..

Mr. Speaker: Shri T. K. Chaudhuri

Shri T. K. Chaudhuri: Have Government any idea about the maximum amount advanced by the scheduled banks against foodgrains?

Shri T. T. Krishnamachari: The figures in regard to the advances have been given generally by my colleague, though, I am afraid, the figures are about a month old. We have had estimates since then. Actually, it takes about four weeks for us to get the correct figures. But we get forecasts earlier. The estimates have indicated that the advances are coming down rapidly

Mr. Speaker: The hon. Member wanted to know whether any ceiling has been fixed for advances against foodgrains, or the amount is unlimited, and whatever the bank may like to give can be given.

Shri T. T. Krishnamachari: So far as each bank is concerned?

Mr. Speaker: Yes, in respect of the various banks. Has any limit been set by Government or not?

Shri T. T. Krishnamachari: The ceiling that is fixed is in relation to the advances that they made last year. There could be no absolute ceiling. The ceilings are fixed in relation to their advances during the previous year. That is why I have

mentioned that from the estimates that I have seen, they were well below the advances given on foodgrains about this time last year

Shri R. Ramanathan Chettiar: What is the amount of advance for paddy?

Mr. Speaker: Has the Minister got the break-up?

Shri T T Krishnamachari: I have not got the break-up foodgrain-wise

Shri Ranga: Is it not a fact that right up to the middle of April or the end of April, advances are continuously given to the peasants in order to enable them to pay their taxes and to meet their other expenses, and from that time onwards, the repayments begin, and therefore, the advances go down?

Shri T T Krishnamachari: That sums up the position fairly accurately

Shri Sadhan Gupta: May I know whether there is any machinery to see to it that the advances under 'Foodgrains' are not disguised by the scheduled banks as advances under other heads? If so, what is that machinery?

Shri T T Krishnamachari: The human mind devises quite a lot of methods by which it can get over certain limits fixed by the Reserve Bank. The point that has been mentioned by my hon friend, namely that you may get advances for some other type of goods and use them for foodgrains is one of the methods of evasion. As to whether there is any machinery to deal with it bank-wise, I am afraid, the Reserve Bank is not in a position to deal with it effectively in that way. But they go upon individual advances given by individual banks and watch the position generally. But we do hope that before long, we shall be able to keep a little more check on these advances. But to reach the position envisaged by my hon friend opposite, I think it will take some time.

Shri Sinhasan Singh: In view of the rising prices of foodgrains and the tendency to hoard which is there be-

cause of these bank advances, will Government contemplate the prohibiting of advances against foodgrains?

Shri T T Krishnamachari: Prohibiting further advances? Well, this is slack season now. I do not think any fresh advances are being made now. But the advances that have been made will have to be reduced by asking for more margins. But, as you know, and as the hon Member knows, it is not always possible to get the debtor to return the money quickly. You can only put the screw on, and the screw acts rather slowly.

Shri Dasappa: What were the advances during the corresponding period of last year, that is, 1956?

Shri T T Krishnamachari: According to the figures given by my colleague, the advances during the period mentioned by him are slightly in excess, about two per cent in excess, of the advances during the corresponding period last year. The directives given by the Reserve Bank to revise the margins have not been brought into effect. Since then, I find that the advances are below the advances given last year.

Slum Clearance

*843 **Shri Radha Raman:** Will the Minister of Finance be pleased to state

(a) whether the team constituted under the Committee on Plan Projects for the evaluation of selected building projects has submitted any report on the slum clearance schemes of States, and

(b) if so, its main recommendations?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) No

(b) Does not arise

Shri Radha Raman: May I know whether the Planning Commission has set up an organisation to examine schemes for slum clearance work, to call for schemes from the various States and to allocate money for those schemes?